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Form PTO-1594

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Tab settings → → →

6-11-03 RI



102484728

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

TERRA INTERNATIONAL, INC.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other Delaware

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: 05/21/2003

2. Name and address of receiving party(ies)

Name: U.S. Bank National Association,

Internal

Address: as Collateral Agent

Street Address: 180 East 5th Street

City: St. Paul State: MN Zip: 55101

- ☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☒ Other Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE ATTACHED EXHIBIT A

Additional number(s) attached ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Tonya Chapple

Internal Address: CSC

80 State Street

Street Address: 6th Floor

City: Albany State: NY Zip: 12207

6. Total number of applications registrations involved:

7. Total fee (37 CFR 3.41)

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

9. Signature.

Maureen P. Murphy

Name of Person Signing

Maureen P. Murphy

Signature

June 4, 2003

Date

Total number of pages including cover sheet, attachments, and document:

52

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignments
 Washington, D.C. 20231

TRADEMARK
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EXHIBIT A

U.S. Trademarks

U.S. Trademarks owned by Terra International, Inc.:

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
TERRA (Retail Outlet Services)	1,150,065	03/31/81	03/31/87	03/31/2001	
TERRA (Agricultural Seeds)	1,396,028	06/03/86	06/03/92	06/03/2006	
TERRA LOGO (Retail Outlet Stores)	1,464,058	11/03/87	11/03/93	11/03/2007	10/04/93
TERRA WITH DESIGN (Fertilizer)	1,467,827	12/08/87	12/08/93	12/08/2007	04/26/93
TERRA (Fertilizer)	1,473,718	01/26/88	01/26/94	01/26/2008	06/03/93
TERRA WITH DESIGN (Retail Outlet Stores)	1,476,328	02/09/88	02/09/94	02/09/2008	09/21/93
FURROWS LOGO (Herbicides)	1,477,390	02/23/88	02/23/94	02/23/2008	09/21/93
TERRA LOGO (Liquid Feed Supplement)	1,478,238	03/01/88	03/01/94	03/01/2008	09/21/93
TERRA (STYLIZED) (Leasing of Farm Equipment)	1,490,598	05/31/88	05/31/94	05/31/2008	
FURROWS LOGO (Leasing of Farm Equipment)	1,490,603	05/31/88	05/31/94	05/31/2008	12/21/93
TERRA WITH DESIGN (Leasing of Farm Equipment)	1,491,620	06/07/88	06/07/94	06/07/2008	02/28/94
TERRA LOGO (Fertilizer)	1,439,721	05/19/87	05/19/93	05/19/2007	02/16/93
TERRA (STYLIZED) (Herbicides)	1,482,128	03/29/88	03/29/94	03/29/2008	08/02/94

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
TERRA WITH DESIGN (Herbicides)	1,504,538	09/20/88	09/20/94	09/20/2008	05/23/94
TERRA (STYLIZED) (Retail Outlet Services)	1,500,857	08/16/88	08/16/94	08/16/2008	05/02/94
TERRA WITH DESIGN (Soil Testing Labs)	1,464,003	11/03/87	11/03/93	11/03/2007	10/05/93
TERRA STYLIZED (Soil Testing Labs)	1,464,004	11/03/87	11/03/93	11/03/2007	10/05/93
TERRA LOGO (Soil Testing Labs)	1,467,722	12/01/87	12/01/93	12/01/2007	
TERRA LOGO (Lawn and Turf Fertilizers)	1,556,375	09/19/89	09/19/95	09/19/2009	
TERRA (Computer Programs)	1,564,205	11/07/89	11/07/95	11/07/2009	
TERRA STYLIZED (House Organ)	1,548,244	07/18/89	07/18/95	07/18/2009	
FURROWS LOGO (Seed for Planting)	1,567,421	11/21/89	11/21/95	11/21/99	
TERRA AND LOGO (Seeds for Planting other than Alfalfa Seeds)	1,573,691	12/26/89	12/26/95	12/26/99	
TERRA AND DESIGN (Lawn and Turf Fertilizer)	1,572,690	12/26/89	12/26/95	12/26/99	
TERRA (Lawn and Turf Fertilizer)	1,572,689	12/26/89	12/26/95	12/26/99	
TERRA (Stylized - Computers)	1,568,052	11/28/84	11/28/95	11/28/99	
TERRA (Seeds for Planting Other than Alfalfa Seeds)	1,572,245	12/19/89	12/19/95	12/19/99	
TERRA AND DESIGN (Computers)	1,568,053	11/28/89	11/28/95	11/28/99	

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
FURROWS LOGO (Computers)	1,566,857	11/21/89	11/21/95	11/21/99	
TERRA LOGO (Computers)	1,610,399	08/21/90	08/21/96	08/21/2000	
TERRA (STYLIZED) (Educational Services)	1,653,249	08/06/91	08/06/97	08/06/2001	
TERRA AND LOGO (Educational Services)	1,653,922	08/13/91	08/13/97	08/13/2001	
FURROWS LOGO (transportation of goods)	1,770,469	05/11/93	05/11/99	05/11/2003	
TERRA LOGO (House organ)	1,529,678	03/14/89	03/14/95	03/14/2009	
P AND DESIGN (Fertilizers, adjuvants)	1,822,149	02/22/94	02/22/2000	02/22/2003	
R (LOGO) (Misc.)	1,037,130	04/06/76	04/06/82	04/06/96	
TERRA (Chemical Fertilizers)	1,055,842	01/11/77	01/11/83	01/11/97	
TERRA (Farm Management Programs)	1,052,116	11/02/76	11/02/82	11/02/96	
TERRA (For Transportation of Goods by Truck, in Class 39 (U.S. CL. 105)	1,722,524	10/06/92	10/06/98	10/06/2002	
TERRA (Herbicides)	1,062,037	03/29/77	03/29/83	03/29/97	
TERRA (Leasing of Real Estate	1,400,640	07/08/86	07/08/92	07/08/2006	
TERRA (House Organ and Booklet)	1,070,213	07/26/77	07/26/83	07/26/97	
TERRA LOGO (Retail Farm Outlet Store Services)	1,155,955	05/26/81	05/26/87	05/26/2001	
TERRA LOGO (Fertilizer Grade Urea)	1,148,357	03/17/81	03/17/87	03/17/2001	

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
TERRA LOGO (Farm Management Program)	1,011,940	05/27/75	05/27/81	05/27/95	
TERRA LOGO (Publications) Agricultural Booklet	1,015,534	07/08/75	07/08/81	07/08/95	
TERRA LOGO (Chemical Fertilizer)	875,909	09/02/68	Completed	09/02/89	
TERRA LOGO (On Herbicides)	1,150,181	04/07/81	04/07/87	04/07/2001	
TERRA LOGO (For Chemical Fertilizers)	1,150,116	04/07/81	04/07/87	04/07/2001	
TERRA AND LOGO (Newsletter, New Magazines and In House Publications)	1,642,045	04/23/91	04/23/97	04/23/2001	
TERRA and DESIGN (House Organ)	1,529,677	03/14/89	03/14/95	03/14/2009	
TERRA EXPRESS (For Transportation of Goods by Truck, in Class 39 (U.S. CL. 105))	1,722,525	10/06/92	10/06/98	10/06/2002	
TERRA TODAY (House Organ)	1,631,571	01/15/91	01/15/97	01/15/2001	
TERRACENTRE (Leasing of Real Estate)	1,400,639	07/08/86	07/08/92	07/08/2006	
TERRA (STYLIZED) (Providing Program Distribution Plans for Fertilizer for Farmers)	1,708,876	08/18/92	08/18/98	08/18/2002	
TERRA AND FURROWS LOGO (Providing Program Distribution Plans for Fertilization for Farmers)	1,714,391	09/08/92	09/08/98	09/08/2002	

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
FURROWS LOGO (Providing program distribution plans for fertilization for farmers, chemical and safety analysis; namely auditing of farm facilities and farm safety equipment, agronomic advice; namely, weed data, field history and production practices including a least cost fertilizer blending program and automatic down-loading of soil test data, in class 42 (U.S. CL. 100))	1,722,697	10/06/92	10/06/98	10/06/2002	
TERRA (STYLIZED) (Training, SHEP)	2,062,585	05/20/97	05/20/2003	05/20/2007	
TERRA (and Furrows Design) (Mail order services with respect to safety equipment and materials)	2,073,915	06/24/97	06/24/2003	06/24/2007	
TERRA (and Design) (Training, SHEP)	2,090,410	08/26/97	08/26/2003	08/26/2007	
TERRA (Mail orders services, SHEP)	2,113,612	11/18/97	11/18/2003	11/18/2007	
TERRA (Stylized) (Mail order services, SHEP)	2,113,671	11/18/97	11/18/2003	11/18/2007	
FURROWS LOGO (Mail order services, SHEP)	2,122,998	12/23/97	12/23/2003	12/23/2007	
FURROWS LOGO (Training matters, SHEP)	2,120,846	12/16/97	12/16/2003	12/16/2007	

<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>	<u>Declaration Due</u>	<u>Renewal Due</u>	<u>Incontestable</u>
TERRA Centre Logo (Leasing of Real Estate)	1,382,652	02/11/86	02/11/2006	04/13/92	
TERRA UNIVERSITY	1,275,517	04/24/84	04/24/90	04/24/2003	03/27/90
TALK TO TERRA (Agricultural consultation)	1,785,958	08/03/93	08/03/99	08/03/2003	
TERRANIL (agricultural pesticides)	1,808,322	11/30/93	11/30/99	11/30/2003	
TERRAMARK SPI	1,801,780	11/02/93	11/02/99	11/02/2003	

SECURITY AGREEMENT

By

TERRA CAPITAL, INC.
as Issuer

and

THE GUARANTORS PARTY HERETO

and

U.S. BANK NATIONAL ASSOCIATION
as Collateral Agent

Dated as of May 21, 2003

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EXHIBIT 2	Form of Security Amendment
EXHIBIT 3	Form of Joinder Agreement

SECURITY AGREEMENT

P R E A M B L E

SECURITY AGREEMENT (the "Agreement"), dated as of May 21, 2003, made by TERRA CAPITAL, INC., a Delaware corporation (the "Issuer"), and THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO (the "Original Guarantors") OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (the "Additional Guarantors" and, together with the "Original Guarantors", the "Guarantors"), as pledgors, assignors and debtors (the Issuer, together with the Guarantors in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent pursuant to its appointment by the Noteholder Trustees (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

R E C I T A L S:

A. The Pledgors and the Trustee have, in connection with the execution and delivery of this Agreement, entered into a certain indenture, dated as of May 21, 2003 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Indenture"), pursuant to which the Issuer has issued its 11 1/2% second priority senior secured notes due 2010 (the "Second Priority Senior Secured Notes") in the aggregate principal amount of \$202,000,000. It is contemplated that the Issuer may, after the date hereof, issue exchange notes pursuant to the Indenture (the "Exchange Notes"; together with the Second Priority Senior Secured Notes, the "Notes").

B. Each Guarantor has, pursuant to the Indenture, among other things, unconditionally guaranteed the obligations of the Issuer under the Indenture and the Notes.

C. Each Guarantor will receive substantial benefits from the execution, delivery and performance of the obligations under the Indenture and the Notes and is, therefore, willing to enter into this Agreement.

D. Each Pledgor is or will be the legal owner of or has or will have rights in the Collateral (as hereinafter defined).

E. Contemporaneously with the execution and delivery of this Agreement, the parties hereto are entering into that certain intercreditor agreement, dated the date hereof, with Citicorp USA, Inc., (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement").

F. This Agreement is given by each Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties (as hereinafter defined) to secure the payment and performance of all of the Secured Obligations (as hereinafter defined).

AGREEMENT:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC, including the following which are capitalized herein:

"Accounts"; "Chattel Paper"; "Documents"; "Electronic Chattel Paper"; "General Intangibles"; "Instruments" (as defined in Article 9 rather than Article 3); "Inventory"; "Letter-of-credit rights"; "Proceeds"; "State"; "Supporting Obligations"; and "Tangible Chattel Paper".

(b) Capitalized terms used but not otherwise defined herein that are defined in the Indenture shall have the meanings given to them in the Indenture.

(c) The following terms shall have the following meanings:

"2008 Noteholders" shall mean the holders of the Issuer's outstanding 12 7/8% Senior Secured Notes due 2008.

"2008 Notes Collateral" means the assets pledged pursuant to the security agreement among Terra Capital, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee, dated as of October 10, 2001 securing the 2008 Notes Obligations.

"2008 Notes Indenture" shall mean the indenture dated as of October 10, 2001 governing the 12 7/8% Senior Secured Notes Due 2008 of the Issuer.

"2008 Notes Indenture Trustee" shall means U.S. Bank National Association in its capacity as trustee under the 2008 Notes Indenture.

"2008 Notes Obligations" shall mean the obligations under the 12 7/8% Senior Secured Notes due 2008 of the Issuer, issued pursuant to the 2008 Notes Indenture.

"2010 Noteholders" shall mean the holders of the Second Priority Senior Secured Notes.

"2010 Notes Indenture Trustee" shall mean U.S. Bank National Association in its capacity as trustee under the Indenture.

"2010 Notes Obligations" shall mean the obligations under the Second Priority Senior Secured Notes, issued pursuant to the Indenture.

"Additional Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Agreement" shall mean this Agreement, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof.

"Charges" shall mean any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including, without limitation, landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law) against, all or any portion of the Collateral.

"Closing Date" shall mean May 21, 2003.

"Collateral" shall have the meaning assigned to such term in Section 2.1 hereof.

"Collateral Agent" shall have the meaning assigned to such term in the Preamble hereof.

"Distributions" shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities.

"Governmental Authority" shall mean any Federal, state, local, foreign or other governmental, quasi-governmental or administrative (including self-regulatory) body, instrumentality, department, agency, authority, board, bureau, commission, office of any nature whatsoever or other subdivision thereof, or any court, tribunal, administrative hearing body, arbitration panel or other similar dispute-resolving body, whether now or hereafter in existence, or any officer or official thereof, having jurisdiction over any Pledgor or the Collateral or any portion thereof.

"Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Indemnified Liabilities" shall have the meaning assigned to such term in Section 10.4(a) hereof.

"Indemnities" shall have the meaning assigned to such term in Section 10.4(a) hereof.

"Intellectual Property" means, collectively, all rights, priorities and privileges of each Pledgor relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses and trade secrets, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercreditor Agreement" shall have the meaning assigned to such term in Recital F hereof.

"Issuer" shall have the meaning assigned to such term in the Preamble hereof.

"Joinder Agreement" shall mean the form of joinder agreement attached hereto as Exhibit 3.

"Material Adverse Effect" shall mean, as of any date of determination and whether individually or in the aggregate (i) any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably be expected to cause or result in) a material adverse effect on the business or operations as presently conducted of the Pledgors taken as a whole, (ii) any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably be expected to cause or result in) a material adverse effect on the value or utility of the Collateral taken as a whole or (iii) any event, circumstance, occurrence or condition which has caused or resulted in (or would reasonably expect to cause or result in) a material adverse effect on the legality, priority or enforceability of the Lien created by this Agreement or the rights and remedies of the Collateral Agent hereunder.

"Noteholder Trustees" shall mean collectively the 2008 Notes Indenture Trustee and the 2010 Notes Indenture Trustee.

"Operative Agreement" shall mean (i) in the case of any limited liability company or partnership or other non-corporate entity, any membership or partnership agreement or other organizational agreement or document thereof and (ii) in the case of any corporation, any charter or certificate of incorporation and by-laws thereof.

"Perfection Certificate" shall mean that certain Perfection Certificate dated May 21, 2003 executed and delivered by each Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Collateral Agent) executed and delivered by the applicable Guarantor in favor of the Collateral Agent for the benefit of the Secured Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with Section 3.5 hereof, in each case, as the same may be amended, amended and restated, supple-

mented or otherwise modified from time to time upon the reasonable request of the Collateral Agent.

“Pledged Securities” shall mean, collectively, the Pledged Stock and the Successor Interests.

“Pledged Stock” means the shares of Capital Stock owned by each Pledgor and all certificates or other instruments representing any of the foregoing, all security entitlements of each Pledgor in respect of any of the foregoing, all dividends, interest distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the foregoing; provided that only the outstanding Capital Stock of Terra Canada and each other Foreign Subsidiary possessing up to but not exceeding 65% of the voting power of all classes of capital stock of such controlled foreign corporation entitled to vote shall be deemed to be pledged hereunder.

“Pledgor” shall have the meaning assigned to such term in the Preamble hereof.

“Requirements of Law” shall mean, collectively, any and all requirements of any Governmental Authority including, without limitation, any and all laws, ordinances, rules, regulations or similar statutes or case law.

“Secured Obligations” shall mean, collectively, the 2008 Notes Obligations and the 2010 Notes Obligations.

“Secured Parties” shall mean, collectively, the Collateral Agent, the 2008 Notes Indenture Trustee, the 2008 Noteholders, the 2010 Notes Indenture Trustee and the 2010 Noteholders.

“Securities Collateral” shall mean, collectively, the Pledged Securities and the Distributions.

“Security Amendment” shall have the meaning assigned to such term in Section 5.1 hereof.

“Senior Agent” shall have the meaning assigned to such term in the Intercreditor Agreement. In the event that there is no longer a Senior Agent under the Intercreditor Agreement the Collateral Agent shall become the Senior Agent.

“Successor Interests” shall mean, collectively, with respect to each Pledgor, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company, partnership or other entity owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from any consolidation or merger in which any Person listed in Schedule 1 annexed to the Perfection Certificate is not the surviving entity; provided, however, that each Pledgor shall not be required to pledge shares or

interests possessing more than 65% of the voting power or control of all classes of capital stock or interests entitled to vote of any Subsidiary which is a first-tier controlled foreign corporation (as defined in Section 957(a) of the Tax Code) and, in any event, shall not be required to pledge the shares of stock or interests of any Subsidiary otherwise required to be pledged pursuant to this Agreement to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Tax Code, which investment would trigger an increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code.

“Tax Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“TNCLP” means Terra Nitrogen Company, L.P., a Delaware limited partnership.

“TNLP” means Terra Nitrogen, Limited Partnership, a Delaware limited partnership.

“UCC” shall mean the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided, however, that if by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Collateral Agent’s and the Secured Parties’ security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect on the date hereof in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions relating to such provisions.

SECTION 1.2. Interpretation. The rules of construction set forth in Section 1.4 of the Indenture shall be applicable to this Agreement.

SECTION 1.3. **OTHER AGREEMENTS.** NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE RIGHTS OF THE SECURED PARTIES ARE SUBJECT IN ALL RESPECTS TO THE INTERCREDITOR AGREEMENT. IN ALL CIRCUMSTANCES WHERE THE RIGHTS OF THE SECURED PARTIES HEREUNDER CONFLICT WITH THE AGREEMENTS OF THE SECURED PARTIES UNDER THE INTERCREDITOR AGREEMENT, THE INTERCREDITOR AGREEMENT SHALL CONTROL.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1. Pledge. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, subject to the lien priorities and other provisions of the Intercreditor Agreement, a lien on and second priority security interest in and to all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (the "Collateral"):

- (i) all Accounts;
- (ii) all Inventory;
- (iii) all Intellectual Property;
- (iv) all Securities Collateral;
- (v) all books and records relating to any of the assets described in clauses (i), (ii), (iii) and (iv) of this Section 2.1; and
- (vi) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing and any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding the foregoing provisions of this Section 2.1, the Collateral shall not include (A) any permit, lease or license held by any Pledgor that validly prohibits, and to the extent that Sections 9-406(f), 9-407(a) or 9-408(a) of the UCC do not make such prohibition ineffective, the creation by such Pledgor of a security interest therein and any permit, lease or license held by any Pledgor to the extent that any Requirement of Law applicable thereto prohibits the creation of a security interest therein, in each case, only to the extent, and for so long as, such permit, lease, license, contract or other agreement, or Requirement of Law applicable thereto, validly prohibits the creation of a Lien in such property in favor of the Collateral Agent; provided, however, that upon the termination of such prohibition (howsoever occurring), such permit, lease or license (without any act or delivery by any Person), to the extent such permit, lease or license would otherwise constitute Collateral, shall cease to be excluded pursuant to the foregoing provision of this clause (A) and shall constitute Collateral hereunder; provided, further, that the portion of the permits, leases or licenses that would otherwise constitute Collateral but for the foregoing provisions of this clause (A) consisting of (i) the right to receive any payment of money (including, without limitation, general intangibles for money due or to become due)

and (ii) any proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions or replacements of any such permits, leases and licenses (unless such proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions or replacements itself would constitute permits, leases or licenses excluded pursuant to the foregoing provisions of this clause (A)) shall constitute Collateral hereunder and (B) the partnership interests in TNCLP and the general partnership interests in TNLP, but in each case, only for so long as TNCLP is not a Wholly Owned Subsidiary and (C) any item or type of asset constituting 2008 Notes Collateral.

SECTION 2.2. Secured Obligations. This Agreement secures, and the Collateral is collateral security for, the payment and performance in full when due of the Secured Obligations.

SECTION 2.3. Security Interest. (a) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements and amendments thereto that contain the information required by Article 9 of the UCC of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including, without limitation, whether such pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request.

(b) Each Pledgor hereby ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto relating to the Collateral if filed prior to the date hereof.

SECTION 2.4. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Indenture or the other Security Documents, or under or in respect of the Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 2.4 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement and the Indenture and the other Security Documents.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Except as set forth in the Perfection Certificate, all certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Senior Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank. Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral acquired by such Pledgor after the date hereof, shall promptly upon receipt thereof by such Pledgor be delivered to and held by or on behalf of the Senior Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Senior Agent. The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Senior Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, upon the occurrence and continuation of an Event of Default, the Senior Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Pledgor represents and warrants that the Collateral Agent has a perfected second priority security interest in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof. Each Pledgor hereby agrees that if any issuer of Pledged Securities is organized in a jurisdiction which does not permit the use of certificates to evidence equity ownership, or if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, record such pledge on the equityholder register or the books of the issuer, cause the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 annexed hereto, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Collateral Agent the right to transfer such Pledged Securities under the terms hereof.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. The only filings, registrations and recordings necessary to create, preserve, protect, publish notice of and perfect the security interest granted by each Pledgor to the Collateral Agent (for the benefit of the Secured Parties) pursuant to this Agreement in respect of the Collateral are listed in Schedule 7 of the Perfection Certificate. All such filings, registrations and recordings have been delivered to the Collateral Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office

specified in Schedule 7 of the Perfection Certificate and shall be filed, registered and recorded immediately after the date thereof. Each Pledgor agrees that at the sole cost and expense of the Pledgors, (i) such Pledgor will maintain the security interest created by this Agreement in the Collateral as a perfected security interest to the extent required by the Indenture having at least the priority required under the Indenture and shall defend such security interest against the claims and demands of all Persons, (ii) such Pledgor will furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail and (iii) at any time and from time to time, upon the written request of the Collateral Agent, such Pledgor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further action as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including the filing of any financing or continuation statement under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby.

SECTION 3.4. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Collateral, each Pledgor agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Collateral:

(a) Instruments and Tangible Chattel Paper. As of the date hereof, each Pledgor hereby represents and warrants that no amount in excess of \$500,000 payable to such Pledgor under or in connection with any of the Collateral is evidenced by any individual Instrument or individual item of Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Schedule 8 of the Perfection Certificate. On each date on which reports are required to be delivered to the Collateral Agent pursuant to Section 4.7 of the Indenture, each Pledgor shall give notice to the Collateral Agent of each amount in excess of \$500,000 payable to such Pledgor under or in connection with any of the Collateral evidenced by any individual Instrument or individual item of Tangible Chattel Paper other than any such Instrument or Tangible Chattel Paper listed in Schedule 8 of the Perfection Certificate or otherwise previously reported to the Collateral Agent in writing. Upon request of the Collateral Agent, if any amount in excess of \$1,000,000 payable to any Pledgor under or in connection with any of the Collateral shall be evidenced by any individual Instrument or individual item of Tangible Chattel Paper, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall forthwith endorse, assign and deliver the same to the Senior Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Senior Agent may from time to time specify; provided, however, that so long as no Event of Default shall have occurred and be continuing, the Senior Agent shall return such Instrument or Tangible Chattel Paper to such Pledgor from time to time, to the extent necessary for collection in the ordinary course of such Pledgor's business.

(b) Electronic Chattel Paper. As of the date hereof, each Pledgor hereby represents and warrants that no amount in excess of \$500,000 payable to such Pledgor under or in connection with any of the Collateral is evidenced by any individual item of Electronic Chattel Paper other than such Electronic Chattel Paper listed in Schedule 8 of the Perfection Certificate. On each date on which reports are required to be delivered to the Collateral Agent pursuant to Section 4.7 of the Indenture, each Pledgor shall give notice to the Collateral Agent of each amount in excess of \$500,000 payable to such Pledgor under or in connection with any of the Collateral evidenced by any individual item of Electronic Chattel Paper other than any such Electronic Chattel Paper listed in Schedule 8 of the Perfection Certificate or otherwise previously reported to the Collateral Agent in writing. Upon request of the Collateral Agent, if any amount in excess of \$1,000,000 payable to any Pledgor under or in connection with any of the Collateral shall be evidenced by any individual item of Electronic Chattel Paper, the Pledgor acquiring such Electronic Chattel Paper shall promptly notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Senior Agent control under UCC Section 9-105 of such Electronic Chattel Paper. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Senior Agent's loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper permitted under UCC Section 9-105 for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper.

(c) Letter-of-Credit Rights. After Discharge of the Credit Facility Obligations, if any Pledgor is at any time a beneficiary under a letter of credit in an amount in excess of \$500,000, the rights under which constitute Collateral, now or hereafter issued in favor of such Pledgor, such Pledgor shall promptly notify the Collateral Agent thereof and such Pledgor shall, upon request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit.

SECTION 3.5. Joinder of Additional Guarantors. The Pledgors shall cause each Subsidiary of the Issuer which, from time to time, after the date hereof shall be required to execute a joinder agreement for the benefit of the Secured Parties pursuant to Section 10.8 of the Indenture, to execute and deliver to the Collateral Agent (i) a joinder agreement substantially in the form of Exhibit 3 annexed hereto within the time period set forth in the Indenture and (ii) a Perfection Certificate within 30 Business Days of the date on which it was acquired or created and, upon the execution and delivery of the joinder agreement, such Subsidiary shall constitute a "Guarantor" and a "Pledgor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Pledgor herein. The execution and delivery of such joinder

agreement shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Pledgor as a party to this Agreement.

SECTION 3.6. Use and Pledge of Collateral. Unless an Event of Default shall have occurred and be continuing, the Collateral Agent shall from time to time execute and deliver, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, any and all instruments, certificates or other documents, in a form reasonably requested by such Pledgor, necessary or appropriate in the reasonable judgment of such Pledgor to enable such Pledgor to continue to exploit, license, use, enjoy and protect the Collateral in accordance with the terms hereof and of the Indenture. The Pledgors and the Collateral Agent acknowledge that this Agreement is intended to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in and Lien upon the Collateral and shall not constitute or create a present assignment of any of the Collateral.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1. Title, Authority and Validity; Preservation of Corporate Existence. (i) Such Pledgor (A) has good and valid rights in or title to the Collateral with respect to which it has purported to grant a security interest and Lien hereunder, (B) has full power and authority to grant to the Collateral Agent the security interest in and Lien on such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained, (C) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, except for failure to be so organized, authorized or licensed which would not in the aggregate result, or create a material risk of resulting, in any Material Adverse Effect and (D) is duly qualified to transact business and is in good standing in each state in which the Collateral is located, except for failures to be so qualified which would not in the aggregate result, or create a material risk of resulting, in any Material Adverse Effect; (ii) this Agreement is a legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity) and (iii) except for failures to be so qualified which would not in the aggregate result, or create a material risk of resulting, in any Material Adverse Effect, such Pledgor shall (A) preserve and maintain in full force and effect its existence and good standing under the laws of the jurisdiction of its organization, (B) preserve and maintain in full force and effect its qualification to transact business and good standing in the state in which the Collateral is located and (C) preserve and maintain in full

force and effect all consents, authorizations and approvals necessary or required of any Governmental Authority or any other Person relating to the execution, delivery and performance hereof.

SECTION 4.2. Validity of Security Interest. The security interest in and Lien on the Collateral granted to the Collateral Agent for the benefit of the Secured Parties hereunder constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Secured Obligations and (b) subject to the completion of the filings described in Schedule 7 of the Perfection Certificate, a perfected security interest in all the Collateral to the extent required by the Indenture. The security interest and Lien granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement in and on the Collateral will at all times, to the extent required hereunder, constitute a perfected, continuing second priority security interest therein, superior and prior to the rights of all other Persons therein other than in the case of any Collateral with respect to the holders of Collateral Permitted Liens.

SECTION 4.3. Limitation on Liens. Such Pledgor is as of the date hereof, and, as to Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole direct and beneficial owner of or has rights in all Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than Collateral Permitted Liens described in the Indenture. Such Pledgor shall, at its own cost and expense, defend title to the Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Collateral Agent and the priority thereof against all claims and demands of all Persons (other than the holders of Collateral Permitted Liens), at its own cost and expense, at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party. There is no agreement, and no Pledgor shall enter into any agreement or take any other action, that would result in the imposition of any other Lien (other than Collateral Permitted Liens), restrict the transferability of any of the Collateral or otherwise impair or conflict with such Pledgors' obligations or the rights of the Collateral Agent hereunder.

SECTION 4.4. Other Financing Statements. There is no (nor will there be any) valid or effective financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral other than in the case of Collateral financing statements relating to Collateral Permitted Liens. So long as any of the Secured Obligations (other than contingent indemnification obligations which, pursuant to the provisions of the Indenture or the Security Documents, survive the termination thereof) remain unpaid, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Collateral, except, in the case of any Collateral, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor to the holder of the Collateral Permitted Liens.

SECTION 4.5. Chief Executive Office; Change of Name; Jurisdiction of Organization. (a) The exact legal name, type of organization, jurisdiction of organization, Federal Taxpayer Identification Number and organizational identification number of such Pledgor is indicated next to its name in Schedule 1 of the Perfection Certificate. Such Pledgor shall not

change (i) its corporate name, (ii) with respect to any Pledgor which does not constitute a "registered organization" (as defined in Section 9-102 of the UCC), the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) its legal form of organization, (iv) its Federal Taxpayer Identification Number or organizational identification number or (v) its jurisdiction of organization (in each case, including, without limitation, by merging with or into any other entity, reorganizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction) until (A) it shall have given the Collateral Agent prior written notice (in the form of an Officers' Certificate) of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent may reasonably request and (B) with respect to such change, such Pledgor shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral intended to be granted hereunder, including, without limitation, using commercially reasonable efforts to obtain waivers of landlord's or warehousemen's liens with respect to such new location, if applicable. Each Pledgor agrees to promptly provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the preceding sentence.

(b) The Collateral Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in Section 4.5(a). If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Pledgor's property constituting Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 4.6. Corporate Names; Prior Transactions. Such Pledgor has not, during the past five years, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired, individually or in the aggregate, any material portion of its property or assets out of the ordinary course of business, except as set forth in Schedules 1 and 4 of the Perfection Certificate.

SECTION 4.7. Due Authorization and Issuance. All of the Pledged Stock (to the extent relevant) has been, and to the extent any Pledged Stock is hereafter issued, such shares will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable. All of the Pledged Stock has been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Pledged Stock in exchange for or in connection with the

issuance of the Pledged Stock or any Pledgor's status as a partner or a member of any issuer of the Pledged Stock.

SECTION 4.8. No Violations, etc. The pledge of the Pledged Securities pursuant to this Agreement does not violate Regulation T, U or X of the Federal Reserve Board.

SECTION 4.9. No Options, Warrants, etc. Other than in connection with Collateral Permitted Liens, there are no options, warrants, calls, rights, commitments or agreements of any character affecting any Pledged Security to which such Pledgor is a party or by which it is bound obligating such Pledgor to issue, deliver or sell or cause to be issued, delivered or sold additional Pledged Securities or obligating such Pledgor to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no voting trusts or other agreements or understandings to which such Pledgor is a party with respect to the transfer, voting or exercise of any other right of the equity interests of any issuer of the Pledged Securities.

SECTION 4.10. No Claims. Such Pledgor owns or has rights to use all of the Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted. The use by such Pledgor of such Collateral and all such rights with respect to the foregoing do not infringe on the rights of any Person other than such infringement which would not, individually or in the aggregate, result in a Material Adverse Effect. No claim has been made and remains outstanding that such Pledgor's use of any Collateral does or may violate the rights of any third Person that would individually, or in the aggregate, have a Material Adverse Effect.

SECTION 4.11. No Conflicts, Consents, etc. Neither the execution and delivery hereof by each Pledgor nor the consummation of the transactions herein contemplated nor the fulfillment of the terms hereof (i) violates any Operative Agreement of such Pledgor or any issuer of Pledged Securities, (ii) violates the terms of any agreement, indenture, mortgage, deed of trust, equipment lease, instrument or other document to which such Pledgor is a party, or by which it may be bound or to which any of its properties or assets may be subject, which violation would, individually or in the aggregate, have a Material Adverse Effect, (iii) conflicts with any Requirement of Law applicable to any such Pledgor or its property, which conflict would, individually or in the aggregate, have a Material Adverse Effect or (iv) results in or requires the creation or imposition of any Lien (other than the Lien contemplated hereby) upon or with respect to any of the property now owned or hereafter acquired by such Pledgor. Except as set forth in Schedule 4.11 annexed hereto and pursuant to the Intercreditor Agreement, no consent of any party (including, without limitation, equityholders or creditors of such Pledgor) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other Person is required for the pledge by such Pledgor of the Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance hereof by such Pledgor and no consent, authorization, approval or license by any Governmental Authority or regulatory body or other Person is required (A) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or (B) for the exercise by the Collateral Agent of the remedies in respect of the Collateral pursuant to this Agreement.

In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement following the occurrence and during the continuance of an Event of Default and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Collateral Agent, such Pledgor agrees to use its commercially reasonable efforts to assist and aid the Collateral Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.12. Collateral. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party in connection with this Agreement, in each case, relating to the Collateral, is accurate and complete in all material respects. The Collateral described on the schedules annexed hereto constitutes all of the property of such type of Collateral owned or held by the Pledgors.

SECTION 4.13. Insurance. (a) The Pledgors, at their own expense, shall maintain or cause to be maintained the insurance policies and coverages required under Section 4.18 of the Indenture with respect to the Collateral.

(b) In the event that the proceeds of any insurance claim are paid after the Collateral Agent has exercised its right to foreclose after and during the continuance of an Event of Default such proceeds shall be paid to the Collateral Agent to satisfy any deficiency remaining after such foreclosure. The Collateral Agent shall retain its interest in the insurance policies required to be maintained pursuant to this Agreement during any redemption period.

SECTION 4.14. Payment of Taxes; Compliance with Laws; Contesting Liens; Claims. Each Pledgor represents and warrants that all Charges imposed upon or assessed against the Collateral have been paid and discharged except to the extent such Charges constitute a Lien not yet due and payable or a Permitted Lien. Each Pledgor shall comply with all Requirements of Law applicable to the Collateral the failure to comply with which would, individually or in the aggregate, have a Material Adverse Effect. Each Pledgor may at its own expense contest the validity, amount or applicability of any Charges so long as the contest thereof shall be conducted in accordance with, and permitted pursuant to the provisions of, the Indenture. Notwithstanding the foregoing provisions of this Section 4.14, (i) no contest of any such obligation may be pursued by such Pledgor if such contest would expose the Collateral Agent or any other Secured Party to (A) any possible criminal liability or (B) any additional civil liability for failure to comply with such obligations unless such Pledgor shall have furnished a bond or other security therefor satisfactory to the Collateral Agent, or such Secured Party, as the case may be, and (ii) if at any time payment or performance of any obligation contested by such Pledgor pursuant to this Section 4.14 shall become necessary to prevent the imposition of remedies because of non-payment, such Pledgor shall pay or perform the same, in sufficient time to prevent the imposition of remedies in respect of such default or prospective default.

SECTION 4.15. Access to Collateral; Books and Records; Other Information.

Upon reasonable request to each Pledgor, the Collateral Agent, its agents, accountants and attorneys shall have full and free access to visit and inspect, as applicable, during normal business hours and such other reasonable times as may be requested by the Collateral Agent all of the Collateral including, without limitation, all of the books, correspondence and records of such Pledgor relating thereto; provided, however, that so long as no Default or Event of Default shall have occurred and be continuing, such visits and inspections shall be limited to not more than one time per calendar year. The Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and such Pledgor agrees to render to the Collateral Agent, at such Pledgor's cost and expense, such clerical and other assistance as may be reasonably requested by the Collateral Agent with regard thereto. Such Pledgor shall, at any and all times, within a reasonable time after written request by the Collateral Agent, furnish or cause to be furnished to the Collateral Agent, in such manner and in such detail as may be reasonably requested by the Collateral Agent, additional information with respect to the Collateral.

SECTION 4.16. Benefit to Guarantors. Each Guarantor will receive substantial benefit as a result of the execution, delivery and performance of the Indenture and other documents evidencing the Secured Obligations.

SECTION 4.17. Delivery of Lien Searches Each Pledgor shall, as expeditiously as possible, but in no event later than thirty days after the Closing Date, deliver or cause to be delivered, Schedules 6(a), 6(b) and 11 of the Perfection Certificate. To the extent Schedules 6(a), 6(b) and 11 of the Perfection Certificate disclose Liens that are not Collateral Permitted Liens, each Pledgor will have thirty days to, including without limitation, execute and file such instruments or documents as may be necessary or appropriate to terminate such Liens.

ARTICLE V

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 5.1. Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Pledged Securities of any Person, accept the same in trust for the benefit of the Senior Agent and forthwith deliver to the Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 annexed hereto (each, a "Security Amendment"), and deliver to the Senior Agent the certificates and other documents required under Section 3.1 and Section 3.2 in respect of the additional Pledged Securities which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities. Each Pledgor hereby authorizes the Collateral Agent to attach each Security Amendment to this Agreement and agrees that all Pledged Stock listed on any Security Amendment delivered to the Senior Agent shall for all purposes hereunder be considered Collateral.

SECTION 5.2. Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing:

(A) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Indenture or any other document evidencing the Secured Obligations; provided, however, that no Pledgor shall in any event exercise such rights in any manner which would have a Material Adverse Effect.

(B) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Indenture; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to the Senior Agent to hold as Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Senior Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to the Senior Agent as Collateral in the same form as so received (with any necessary endorsement in accordance with Section 5.1 hereof).

(C) The Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 5.2(i)(A) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 5.2(i)(B) hereof.

(ii) Upon the occurrence and during the continuance of any Event of Default:

(A) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.2(i)(A) hereof without any action, other than, in the case of any Securities Collateral, or the giving of any notice shall cease, and all such rights shall thereupon become vested in the Senior Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 5.2(i)(B) hereof shall cease and all such rights shall thereupon become vested in the Senior Agent, which shall thereupon have the sole right to receive and hold as Collateral such Distributions.

(C) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Senior Agent may request in order to permit the Senior Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.2(ii)(A) hereof and to receive all Distributions which it may be entitled to receive under Section 5.2(ii)(B) hereof.

(D) After Discharge of the Credit Facility Obligations, all Distributions which are received by any Pledgor contrary to the provisions of Section 5.2(ii)(B) hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

SECTION 5.3. Operative Agreements. Each Pledgor has delivered to the Collateral Agent true, correct and complete copies of its Operative Agreements. Such Operative Agreements are in full force and effect, have not as of the date hereof been amended or modified except as disclosed to the Collateral Agent, and there is no existing default by any party thereunder or any event which, with the giving of notice of passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to the Collateral Agent a copy of any notice of default given or received by it under any Operative Agreement within ten days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Operative Agreement or make any amendment or modification to any Operative Agreement which could be reasonably expected to have a Material Adverse Effect.

SECTION 5.4. Defaults, etc. Each Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. No Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Operative Agreements and certificates, instruments, documents or other writings, if any, delivered to the Senior Agent) which evidence any Pledged Securities of such Pledgor.

SECTION 5.5. Certain Agreements of Pledgors as Issuers and Holders of Equity Interests.

(i) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Pledgor which is a partner in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Operative Agreement to the pledge by each other Pledgor, pursuant to the terms hereof, of

the Pledged Stock in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Stock to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING ACCOUNTS

SECTION 6.1. Accounts. (a) Except as permitted by the Credit Facility, each Pledgor will not, other than in the ordinary course of business consistent with its past practice, (i) grant any extension of the time of payment of any Account constituting Collateral, (ii) compromise or settle any Account constituting Collateral for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Account constituting Collateral, (iv) allow any credit or discount on any Account constituting Collateral, or (v) amend, supplement or modify any Account constituting Collateral in any manner that could adversely affect the value thereof.

(b) The Senior Agent shall have the right to make test verifications of the Accounts constituting Collateral in any manner and through any medium that it reasonably considers advisable, and such Pledgor shall furnish all such assistance and information as the Senior Agent may reasonably require in connection therewith. At any time and from time to time, upon the Senior Agent's reasonable request and at the expense of the relevant Pledgor, such Pledgor shall cause independent public accountants or others satisfactory to the Senior Agent to furnish to the Senior Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts constituting Collateral; provided, however, that unless a Default or Event of Default shall be continuing, the Senior Agent shall request no more than two such reports during any calendar year.

ARTICLE VII

TRANSFERS AND OTHER LIENS

SECTION 7.1. Transfers of Collateral. No Pledgor shall sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral pledged by it hereunder other than as permitted by the Indenture.

ARTICLE VIII

REMEDIES

SECTION 8.1. Remedies. (a) Subject to the Intercreditor Agreement, upon the occurrence and during the continuance of any Event of Default the Collateral Agent may from time to time exercise in respect of the Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it to the extent the terms and conditions associated with any laws governing the Collateral permit the exercise of such rights and:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall promptly (but in no event later than one Business Day after receipt thereof) pay such amounts to the Collateral Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Collateral Agent at any place or places so designated by the Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and there delivered to the Collateral Agent, (B) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to pre-

serve and maintain them in good condition. Each Pledgor's obligation to deliver the Collateral as contemplated in this Section 8.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Collateral for application to the Secured Obligations as provided in Article IX hereof;

(vi) Retain and apply the Distributions to the Secured Obligations;

(vii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral; and

(viii) All the rights and remedies of a secured party on default under the UCC, and the Collateral Agent may also in its sole discretion, without notice except as specified in Section 8.2 hereof, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

SECTION 8.2. Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of Collateral shall be required by law, 10 days' prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

SECTION 8.3. Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article VIII in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

SECTION 8.4. Certain Sales of Collateral.

(i) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Collateral Agent shall have no obligation to engage in public sales.

(ii) Each Pledgor further agrees that a breach of any of the covenants contained in this Section 8.4 will cause irreparable injury to the Collateral Agent and other Secured Parties, that the Collateral Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 8.4 shall be specifically enforceable against such Pledgor, and such Pledgor hereby

waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 8.5. No Waiver; Cumulative Remedies.

(i) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(ii) In the event that the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case, the Pledgors, the Collateral Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Collateral Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

ARTICLE IX

PROCEEDS OF CASUALTY EVENTS AND COLLATERAL
DISPOSITIONS/APPLICATION OF PROCEEDS

SECTION 9.1. Proceeds of Casualty Events and Collateral Dispositions. The Pledgors shall take the actions required by the Indenture with respect to any net cash proceeds of any Casualty Event or from the sale or disposition of any Collateral.

SECTION 9.2. Application of Proceeds. Subject to the Intercreditor Agreement, the proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral, and pursuant to the exercise by the Collateral Agent or the Senior Agent of its remedies as a secured creditor as provided in Article VIII hereof and the Intercreditor Agreement, shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, promptly by the Collateral Agent first to ratably pay fees and other amounts then payable to the Collateral Agent, the 2008 Notes Indenture Trustee and the 2010 Notes Indenture Trustee and, thereafter, to ratably pay all amounts owing to the 2008 Noteholders and the 2010 Noteholders (with any remaining proceeds to be payable to Issuer or as may otherwise be required by law).

ARTICLE X

MISCELLANEOUS

SECTION 10.1. Concerning Collateral Agent.

(i) The 2008 Notes Indenture Trustee and the 2010 Notes Indenture Trustee, on behalf of the 2008 Noteholders and 2010 Noteholders respectively, hereby irrevocably and unconditionally appoint U.S. Bank National Association, to serve as Collateral Agent and representative of each such Secured Party under each of the Security Documents and irrevocably and unconditionally authorizes the Collateral Agent to act as agent for the Secured Parties for the purpose of executing and delivering, on behalf of all such Secured Parties, the Security Documents and any other documents or instruments related thereto or necessary or, as determined by the Collateral Agent, desirable to perfect the Liens granted to the Collateral Agent thereunder and, subject to the provisions of this Agreement, for the purpose of enforcing the Secured Parties' rights in respect of the Collateral and the obligations of the Pledgors under the Security Documents, and for the purpose of, or in connection with, releasing the obligations of the Pledgors under the Security Documents.

Without limiting the generality of the foregoing, the Collateral Agent is further hereby appointed as agent for each of the Secured Parties to hold the Liens on the Collateral granted pursuant to the Security Documents with sole authority to exercise remedies under the Security Documents.

(ii) The Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of the Collateral), in accordance with this Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided for in Section 10.1(iii) herein. Upon the acceptance of any appointment as the Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

(iii) Collateral Agent may resign at any time by giving notice thereof to the Noteholder Trustee. In the event of any such resignation, Noteholder Trustees shall have the right to appoint a successor agent. In the event that the Noteholder Trustees are unable to agree upon the appointment of a successor agent each Noteholder Trustee will appoint a successor

agent to serve as co-Collateral Agents. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor agent and the delivery of any Collateral that is in the possession of the retiring Collateral Agent, (A) the successor agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, (B) the retiring Collateral Agent shall have no further duties and obligations hereunder and (C) the retiring Collateral Agent shall, at the expense of the Pledgors, upon the written request of the successor agent and without representation, warranty or recourse, execute and deliver such documents, instruments and agreements as are reasonably necessary to effect an assignment of the rights and obligations of the retiring Collateral Agent to the successor Collateral Agent. After any retiring Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Section 10.1(iii) shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Collateral Agent.

(iv) The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Collateral Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

(v) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

SECTION 10.2. Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement and such failure shall be continuing (including, without limitation, such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay Charges, (iii) make repairs, (iv) discharge Liens that do not constitute Collateral Permitted Liens or (v) pay or perform any obligations of such Pledgor under any Collateral) or if any warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that Collateral Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions of Section 4.16 hereof. Any and all amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 10.3 hereof. Neither the provisions of this Section 10.2 nor any action

taken by Collateral Agent pursuant to the provisions of this Section 10.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of warranty form constituting an Event of Default. Subject to the provisions of the Intercreditor Agreement, each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument in relation to the Collateral consistent with the terms of the Indenture and the other Security Documents which the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 10.3. Expenses. Each Pledgor will upon demand pay to the Collateral Agent the amount of any and all costs and expenses, including the reasonable fees and expenses of its counsel and the reasonable fees and expenses of any experts and agents which the Collateral Agent may incur in connection with (i) any action, suit or other proceeding affecting the Collateral or any part thereof commenced, in which action, suit or proceeding the Collateral Agent is made a party or participates or in which the right to use the Collateral or any part thereof is threatened, or in which it becomes necessary in the judgment of the Collateral Agent to defend or uphold the Lien hereof (including, without limitation, any action, suit or proceeding to establish or uphold the compliance of the Collateral with any requirements of any Governmental Authority or law), (ii) the collection of the Secured Obligations, (iii) the enforcement and administration hereof, (iv) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (v) the exercise or enforcement of any of the rights of the Collateral Agent or any Secured Party hereunder or (vi) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts expended by the Collateral Agent and payable by any Pledgor under this Section 10.3 shall be due three (3) days after demand therefor (together with interest thereon accruing at the highest rate then in effect under the Indenture during the period from and including the date on which such funds were so expended to the date of repayment) and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 10.3 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Indenture and the other Security Documents.

SECTION 10.4. Indemnity.

(i) Indemnity. Each Pledgor agrees to indemnify, pay and hold harmless the Collateral Agent and each of the other Secured Parties and the officers, directors, employees, agents and Affiliates of the Collateral Agent and each of the other Secured Parties (collectively, the "Indemnitees") from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), reasonable expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, commenced or threatened, whether or

not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement, the Indenture, any other Security Document or any other document evidencing the Secured Obligations (including, without limitation, any misrepresentation by any Pledgor in this Agreement, the Indenture, other Security Document or any other document evidencing the Secured Obligations) (the "Indemnified Liabilities"); provided, however, that no Pledgor shall have any obligation to an Indemnitee hereunder with respect to Indemnified Liabilities if (i) such Indemnified Liabilities arose from the negligence, bad faith or willful misconduct of that Indemnitee or (ii) such Indemnified Liabilities result from litigation commenced by any Pledgor against the Collateral Agent or any other Secured Party which seeks enforcement of any of the rights of such Pledgor hereunder and is determined adversely to any Indemnitee in a final non-appealable judgment. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them.

(ii) Survival. The obligations of the Pledgors contained in this Section 10.4 shall survive the termination hereof and the discharge of the Pledgors' other obligations under this Agreement, the Indenture and under the other Security Documents.

(iii) Reimbursement. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Collateral.

SECTION 10.5. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Indenture.

SECTION 10.6. Termination; Release. The Collateral shall be released from the Lien of this Agreement in accordance with the Indenture and the Intercreditor Agreement. Upon termination hereof or any release of Collateral in accordance with the provisions of the Indenture, the Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to the Pledgors, against receipt and without recourse to or warranty by the Collateral Agent, such of the Collateral to be released (in the case of a release) as may be in possession of the Collateral Agent and as shall not have been sold or otherwise ap-

plied pursuant to the terms hereof and, with respect to any other Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination hereof or the release of such Collateral, as the case may be.

SECTION 10.7. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Indenture and unless in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Secured Obligations, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 10.8. Notices. Unless otherwise provided herein or in the Indenture, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Indenture, as to any Pledgor, addressed to it at the address of the Issuer set forth in the Indenture and as to the Collateral Agent, addressed to it at the address set forth in the Indenture, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 10.8.

SECTION 10.9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10.10. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND APPELLATE COURTS OF ANY THEREOF, AND BY EXECUTION AND DELIVERY HEREOF, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR AGREES THAT SERVICE OF PROCESS IN ANY PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO THE ISSUER AT ITS ADDRESS SET FORTH IN THE INDENTURE OR AT SUCH OTHER ADDRESS OF WHICH THE COLLATERAL AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT

SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 10.11. Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.12. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

SECTION 10.13. Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

SECTION 10.14. Waiver of Stay. Each Pledgor agrees that in the event that such Pledgor or any property or assets of such Pledgor shall hereafter become the subject of a voluntary or involuntary proceeding under the Bankruptcy Code or such Pledgor shall otherwise be a party to any Federal or state bankruptcy, insolvency, moratorium or similar proceeding to which the provisions relating to the automatic stay under Section 362 of the Bankruptcy Code or any similar provision in any such law is applicable, then, in any such case, whether or not the Collateral Agent has commenced foreclosure proceedings under this Agreement, the Collateral Agent shall be entitled to relief from any such automatic stay as it relates to the exercise of any of the rights and remedies (including, without limitation, any foreclosure proceedings) available to the Collateral Agent as provided in this Agreement, in any other Security Document or any other document evidencing the Secured Obligations.

SECTION 10.15. No Credit for Payment of Taxes or Imposition. Such Pledgor shall not be entitled to any credit against the principal, premium, if any, or interest payable under the Indenture, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any taxes on the Collateral or any part thereof.

SECTION 10.16. No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.


SECTION 10.17. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

- (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor;
- (ii) any lack of validity or enforceability of the Indenture or any other Security Document, or any other agreement or instrument relating thereto;
- (iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Indenture or any other Security Document, or any other agreement or instrument relating thereto;
- (iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;
- (v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Indenture or any other Security Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 10.7 hereof; or
- (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor, other than satisfaction in full of the Secured Obligations and release in connection therewith in accordance with the provisions of the Indenture.


[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Pledgors, the Collateral Agent and the Noteholder Trustees have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

BEAUMONT AMMONIA INC.
BEAUMONT HOLDINGS CORPORATION
BMC HOLDINGS INC.
PORT NEAL CORPORATION
TERRA CAPITAL HOLDINGS, INC.
TERRA CAPITAL, INC.
TERRA INDUSTRIES INC.
TERRA INTERNATIONAL, INC.
TERRA INTERNATIONAL (OKLAHOMA) INC.
TERRA METHANOL CORPORATION
TERRA NITROGEN CORPORATION
TERRA REAL ESTATE CORP.
TERRA (U.K.) HOLDINGS INC.


By: 
Name: MARK A. Kalafut
Title: Vice President

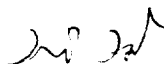
U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent

By: 
Name: Richard H. Prokosch
Title: Vice President


By: 
Name: Frank P. Leslie III
Title: Vice President

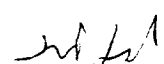
U.S. BANK NATIONAL ASSOCIATION,
as 2008 Notes Indenture Trustee

By: 
Name: Richard H. Prokosch
Title: Vice President

By: 
Name: Frank P. Leslie III
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as 2010 Notes Indenture Trustee

By: 
Name: Richard H. Prokosch
Title: Vice President

By: 
Name: Frank P. Leslie III
Title: Vice President

SCHEDULE 4.11

Required Consents

ISSUER'S ACKNOWLEDGMENT

[]

Title:

EXHIBIT 2

SECURITY AMENDMENT

This Security Amendment, dated as of [], 200[], is delivered pursuant to Section 5 of that certain Security Agreement, dated as of May 21, 2003, made by TERRA CAPITAL, INC., a Delaware corporation (the "Issuer") and THE GUARANTORS LISTED ON THE SIGNATURE PAGES THERETO (the "Original Guarantors") OR FROM TIME TO TIME PARTY THERETO BY EXECUTION OF A JOINDER AGREEMENT (the "Additional Guarantors", and together with the "Original Guarantors", the "Guarantors"), as pledgors, assignors and debtors (the Issuer, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent pursuant to the Security Agreement, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent") (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement). The undersigned hereby agrees that this Security Amendment may be attached to the Security Agreement and that the Pledged Securities listed on this Security Amendment shall be deemed to be and shall become part of the Collateral and shall secure all Secured Obligations.

PLEDGED SECURITIES

<u>ISSUER</u>	<u>CLASS OF STOCK OR INTERESTS</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(S).</u>	<u>NUMBER OF SHARES OR INTERESTS</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
---------------	--	----------------------	-------------------------------	--	---

[_____] ,
as Pledgor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 3

FORM OF JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

Ladies and Gentlemen:

Reference is made to that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of May 21, 2003, made by TERRA CAPITAL, INC., a Delaware corporation (the "Issuer") and THE GUARANTORS LISTED ON THE SIGNATURE PAGES THERETO (the "Original Guarantors") OR FROM TIME TO TIME PARTY THERETO BY EXECUTION OF A JOINDER AGREEMENT (the "Additional Guarantors", and together with the "Original Guarantors", the "Guarantors"), as pledgors, assignors and debtors (the Issuer, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of the U.S. BANK NATIONAL ASSOCIATION, in its capacity as collateral agent pursuant to the Security Agreement, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

This letter supplements the Security Agreement and is delivered by the undersigned, _____ (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the execution date of the Security Agreement and without limiting the generality of the foregoing, hereby grants and pledges to the Collateral Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration

or otherwise) of the Secured Obligations, a Lien on and second priority security interest in, all of its right, title and interest in, to and under the Collateral and expressly assumes all obligations and liabilities of a Guarantor and Pledgor thereunder. The New Pledgor hereby makes, with respect to itself, each of the representations and warranties and agrees to each of the covenants applicable to it as a Pledgor under the Security Agreement.

Attached hereto are supplements to each of the schedules to the Security Agreement with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement.

This agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Pledgor has caused this letter agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title: